

1. CALL TO ORDER

The Board of Equalization Hearing was held on Thursday, May 16, 2019, at the Dillingham City Council Chambers, Dillingham, Alaska. Mayor Alice Ruby called the meeting to order at 5:30 p.m.

2. ROLL CALL

Mayor Alice Ruby was present.

Council Members present and establishing a quorum (a quorum being three):

Curt Armstrong Chris Maines Chris Napoli

Staff in attendance:

Lori Goodell, City Clerk James Canary, City Assessor

Guests:

Ryan Ayars

3. APPROVE THE AGENDA

MOTION: Chris Napoli moved and Chris Maines seconded motion to approve the agenda.

VOTE: The motion to approve the agenda passed by unanimous voice vote.

4. ASSESSOR'S COMMENTS

Jim Canary noted there were forty-three real property appeals submitted, thirty-one of them had been settled, with twelve unresolved. He explained that he has worked on valuations with a gross increase of 13% since 2016, bringing valuations to 96% of market. The assessment data base has been delivered and city employees received training. It was noted that bills are not split, tax billing goes to the owner of record.

The process the Board of Equalization (BOE) will utilize was reviewed; appellants would be heard first, followed by the City Assessor, and the appellant would have an opportunity to address the BOE after Assessor comments.

5. DETERMINE NO. OUTSTANDING APPEALS

a. Late-Filed Appeals

1) Stephen Elliott; Account 103338

Alice Ruby explained the role of the Board was to determine if the property owner was unable to comply and file a timely appeal.

The letter sent in from the appellant was reviewed and consensus was there is no compelling reason why the property owner was unable to file timely.

MOTION: Chris Napoli moved and Chris Maines seconded the motion that the Board deny Stephen Elliott's late file appeal.

The appellant did not demonstrate a reasonable absence, nor show his circumstances were out of his control.

VOTE: The motion passed by unanimous voice vote.

6. APPEALS FOR CONSIDERATION

a. Personal Property

1) Settled Appeals

Alice Ruby referred to list of settled appeals. The assessor had reached a written agreement with the appellants on Appeal Numbers:

PP19-01	PP19-02	PP19-03	PP19-04	PP19-05
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The City has been advised by Attorney Cacciola that all settled appeals may be approved in one motion as long as there are no objections or need to single out any certain appeal.

MOTION: Chris Maines moved and Chris Napoli seconded the motion to accept the settled appeals in block for personal property as listed.

VOTE: The motion passed unanimously by voice vote.

b. Real Property

1) Settled Appeals

Alice Ruby referred to the list of settled appeals. The assessor had reached a written agreement with the appellants on Appeal Numbers:

RP19-01	RP19-02	RP19-03	RP19-04	RP19-05
RP19-06	RP19-07	RP19-08	RP19-09	RP19-10
RP19-11	RP19-12	RP19-13	RP19-14	RP19-15
RP19-21	RP19-22	RP19-23	RP19-27	RP19-28
RP19-31	RP19-32	RP19-34	RP19-35	RP19-36
RP19-37	RP19-38	RP19-39	RP19-41	RP19-42
RP19-43				

MOTION: Chris Napoli moved and Chris Maines seconded the motion to accept settled appeals as listed and ask for a yes vote granting the revisions for the reasons given in the assessor's review form.

VOTE: The motion passed unanimously by voice vote.

- 2) Appeals Not Settled
 - Appeal RP19-33 will be heard first as the appellant is present

a) RP19-33, Bernie B L2, Ryan & Chelsea Ayars

Appellant presentation: Ryan Ayars

Mr. Ayars stated there was an agreed on value at the 2018 BOE. The only improvements made were an addition of approximately \$5,000 in gravel. There is a \$250,000 jump in valuation and comparisons were submitted. He asked if he was going to have fight an increase every year, noting it is difficult to budget for that.

Assessor presentation: Jim Canary (assessor memo was reviewed)

The 2018 reduction in valuation was based on improvements appellant stated were planned, with an anticipation of valuation going to back up for 2019, which is based on a deed of trust. There were numerous attempts to contact the appellant, messages were left, with no response.

Appellant rebuttal: Ryan Ayars

There have been no improvements other than the septic, which was installed by the previous owners, and the gravel already mentioned. Any increase in valuation will be passed on to the tenants. They have owned the property since June of 2017, and used quicken as well as comparisons for their valuation.

MOTION: Chris Napoli moved and Curt Armstrong seconded the motion to deny appeal RP19-33.

2018 valuation was decreased on planned improvements, if not accomplished valuation increase may not be warranted. Septic work was completed, not all improvements stated in 2018 were done. Work done should be considered in 2019 valuation as well as assessor noted increase of 13%. An informative decision with a stated reason not opinion is needed.

Question called; no objection

VOTE: The motion failed unanimously by voice vote.

MOTION: Chris Napoli moved and Chris Maines seconded the motion to grant appeal RP19-33 and ask for a yes vote and value the property at \$621,300 based on the 2018 assessment plus 13% increase, with septic put in place and some improvements done but not all improvements accomplished.

VOTE: The motion passed unanimously by voice vote.

VOTE: The motion passed unanimously by voice vote.

b) RP19-16, USS 155 L 1N Possessory Interest, Vitus Energy

Appellant presentation:

There was no appellant presentation.

Assessor presentation: Jim Canary (assessor memo was reviewed)

Mr. Canary commented the City Attorney noted the 2018 assessment appeal is still pending in superior court. The City Attorney recommends the BOE follow the precedent it set last year, and deny the appeal.

MOTION: Chris Napoli moved and Chris Maines seconded the motion to deny Vitus Energy appeal RP19-16.

Vitus Energy LLC did not challenge, or question how the valuation was determined.

VOTE: The motion passed unanimously by voice vote.

c) RP19-17, USS 2995 B L2, Gorden & Susan Issacs

Appellant presentation:
There was no appellant presentation.

Assessor presentation: Jim Canary (assessor memo was reviewed)
Land becomes improved when a dwelling is built increasing the land value. There are several building on the lot, one is a business which is not yet upon but stands ready to do so.

MOTION: Chris Napoli moved and Chris Maines seconded the motion to deny appeal RP19-17, USS 2995 B L2.

VOTE: The motion passed unanimously by voice vote.

d) RP19-18, Napaq B3 L7, Gorden & Susan Issacs

Appellant presentation:
There was no appellant presentation.

Assessor presentation: Jim Canary (assessor memo was reviewed)
The difference between a raw lot value and improved site value was noted. A spreadsheet of sales in Dillingham was looked at. The 13% valuation increased was noted as a gross total value, individual areas may be more drastically impacted and other areas less so. The assessor is charged with January 1st valuations at full market value. This property has a wetland view with three dwellings. Comparisons indicate a reduction in value to \$474,200.

MOTION: Chris Napoli moved and Chris Maines seconded the motion to grant a valuation revision for appeal RP19-18 and ask for a yes vote with a property value at \$474,200 for the reasons provided by the assessor.

VOTE: The motion passed unanimously by voice vote.

e) RP19-19, Napaq B3 L6, Gorden & Susan Isaacs

Appellant presentation:
There was no appellant presentation.

Assessor presentation: Jim Canary (assessor memo was reviewed)

This property has a desirable wetland view with a B&B on it, providing an income stream.

MOTION: Chris Napoli moved and Chris Maines seconded the motion to deny appeal RP19-19 that the original assessment stands. I ask for a yes vote denying the appeal because the appellant failed to show that the original assessment was improper.

VOTE: The motion passed unanimously by voice vote.

f) RP19-20, Nerka B L6, Gordon & Susan Isaacs

Appellant presentation:

There was no appellant presentation.

Assessor presentation: Jim Canary (assessor memo was reviewed)

This is an improved lot with a dwelling. Land values are increased by improvements.

MOTION: Chris Napoli moved and Chris Maines seconded the motion to deny appeal RP19-20 and ask for a yes vote. The original assessment stands because the appellant failed to show that the original assessment was improper.

VOTE: The motion passed unanimously by voice vote.

g) RP19-24, Ahklun View Estates LTRA, Thomas & Janet Armstrong Schlagel

Appellant presentation:

There was no appellant presentation.

Assessor presentation: Jim Canary (assessor memo was reviewed)

This property was found with the GIS and is the first year it shows on the tax roll. The property has been improved as a runway. However, the runway fill continues to sink into the wetlands and more fill is required to make the strip more usable. It is recommended to reduce the valuation to \$62,200.

MOTION: Chris Napoli moved and Chris Maines seconded the motion to grant all revisions to appeal RP19-24 for reasons as set forth by the assessor memorandum.

Curt Armstrong disclosed he is a family member to the appellant, but has no financial interest in appeal RP19-24, RP19-25, and RP19-26.

VOTE: The motion passed unanimously by voice vote.

h) RP19-25, Sampson Estates B L9, Thomas & Janet Armstrong Schlagel

Appellant presentation:

There was no appellant presentation.

Assessor presentation: Jim Canary (assessor memo was reviewed)
The land is an improved lot with a dwelling that has been increased in size.

MOTION: Chris Napoli moved and Chris Maines seconded the motion to deny appeal RP19-25 and concur with the assessor's recommendation for no change in assessed value.

VOTE: The motion passed unanimously by voice vote.

i) RP19-26, Ahklun View Estates B2 L5, Thomas & Janet Armstrong Schlagel

Appellant presentation:
There was no appellant presentation.

Assessor presentation: Jim Canary (assessor memo was reviewed)
Sales comparisons were discussed. Based on a site inspection the assessor recommends a revised valuation at \$33,000.

MOTION: Chris Napoli moved and Chris Maines seconded the motion to grant a value revision of \$33,000 to appeal RP19-26 as set forth by the assessor, with a yes vote for reasons given in the assessor memorandum.

VOTE: The motion passed unanimously by voice vote.

j) RP19-29, Float Plane B3 L4, Michele Masley & Todd Radenbaugh

Appellant presentation:
There was no appellant presentation.

Assessor presentation: Jim Canary (assessor memo was reviewed)
Valuation has been way below sales price and increased in 2019. Owner states concerns of neighbor bringing down values. No change to value is recommended.

MOTION: Chris Napoli moved and Curt Armstrong seconded the motion to deny appeal RP19-29 and that the original assessment stands. I ask for a yes vote denying the appeal because the appellant failed to show that the original assessment was improper.

It was commented the values in this area have been going up.

VOTE: The motion passed unanimously by voice vote.

k) RP19-30, Float Plane B2 L1, Michele Masley & Todd Radenbaugh

Appellant presentation:
There was no appellant presentation.

Assessor presentation: Jim Canary (assessor memo was reviewed)

This is lake front property and the view has been increased. The assessor recommends to change to the assessed value.

MOTION: Chris Napoli moved and Chris Maines seconded the motion to deny appeal RP19-30, the original assessment stands, asking for a yes vote denying the appeal because the appellant has failed to show the original assessment was improper.

VOTE: The motion passed unanimously by voice vote.

I) RP19-40, Fireweed B L1, Elizabeth Pirillo

Appellant presentation:
There was no appellant presentation.

Assessor presentation: Jim Canary (assessor memo was reviewed)
Assessor attempts to contact owner with no response. Exterior inspection was done, completion was determined to be 48% and 14% depreciation was applied for condition. No change to assessed value is recommended.

MOTION: Chris Napoli moved and Chris Maines seconded the motion to deny appeal RP19-40, the original assessment stands, asking for a yes vote denying the appeal because the appellant has failed to show the original assessment was improper.

VOTE: The motion passed unanimously by voice vote.

7. CITIZEN DISCUSSION (Prior Notice or Agenda Items)

There was no citizen discussion.

8. COMMITTEE COMMENTS

Chris Napoli:

- Stated the process has evolved since the last time he was on the BOE. Noting he appreciates the work the Assessor does, and information provided by the City Clerk.

Alice Ruby:

- Commented she appreciates all the work that goes into the BOE process.
- Stated that she sympathizes with the residents.
- Noted Dillingham is not big enough for property forgiveness, the BOE must be objective and base decisions on facts.

9. ADJOURNMENT

Mayor Ruby adjourned the meeting at 7:02 p.m.

ATTEST:

Kelsa Brandenburg
Kelsa Brandenburg, Acting City Clerk

Approval Date: 6/6/2019

Alice Ruby
Mayor Alice Ruby
[SEAL]